

# 2018 May Revision

**Ocean View School District**  
**May 22, 2018**

**Presented by:**  
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# From May Revision to Final State Budget Enactment

## Late May

Subcommittees take actions on specific proposals and send report of actions to full Budget Committee

## Early June

Conference Committee formed to hash out differences between State Budget plans in each house

## By June 30

Governor acts on State Budget

## Early June

Each house's Budget Committee adopts their version of a State Budget

## By June 15

Both houses and Governor Brown agree to a Final State Budget, approve Budget Bill

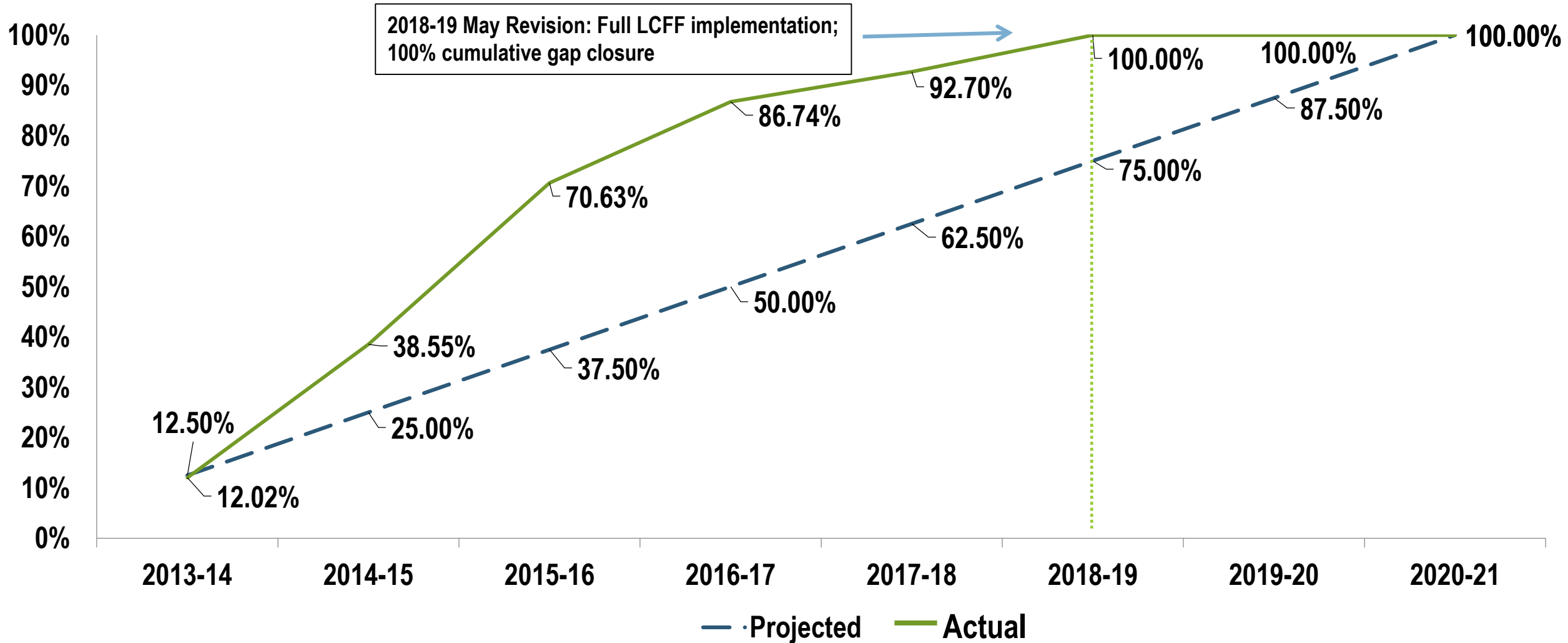


# January Budget vs. May Revision

Item	January Budget	May Revision
LCFF Gap Funding	100% or \$2.9 billion	100% or \$3.2 billion
Proposition 98 Minimum Funding Guarantee		
2016-17	\$71.4 billion	\$71.6 billion
2017-18	\$75.2 billion	\$75.6 billion
2018-19	\$78.3 billion	\$78.4 billion
2018-19 COLA	2.51%	2.71%*
One-Time Discretionary Funds for 2018-19	\$1.8 billion \$295 per ADA	\$2.02 billion \$344 per ADA

\* 0.29% additional LCFF funding = 3%

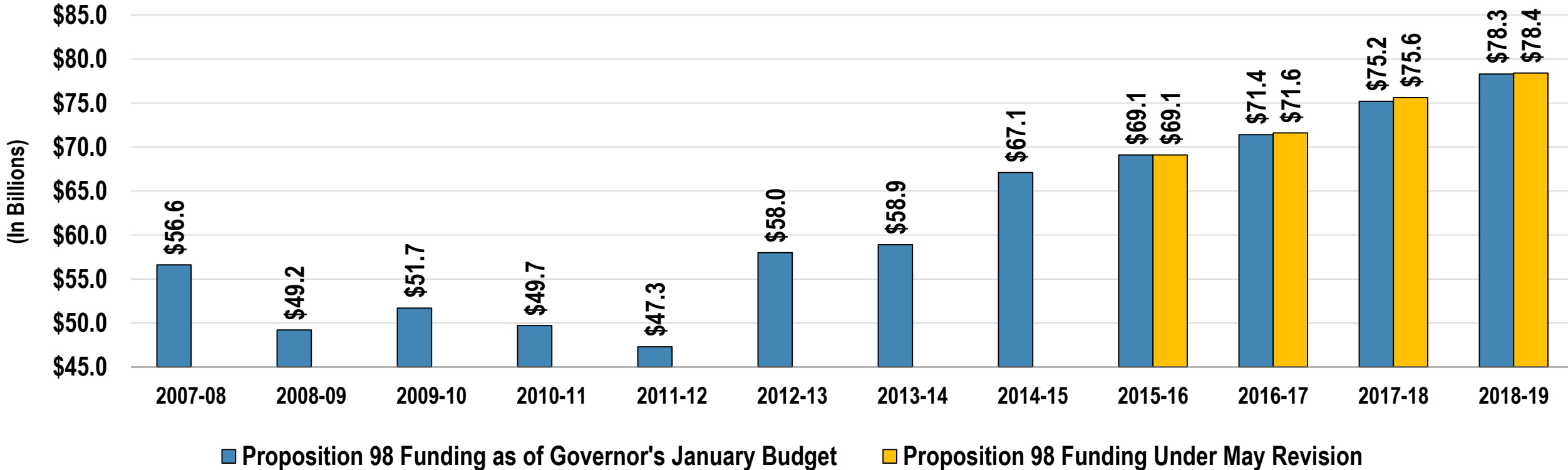
# Progress Toward LCFF Implementation





# Proposition 98 Funding

### Proposition 98 Funding 2007-08 to 2017-18



Source: 2018-19 Governor's Budget Summary, pg. 6 and 2018-19 May Revision, pg. 6

# Significant Proposition 98 Topics . . .

## More Proposition 98

2018-19 funding up a modest \$68 million from January proposal

## Rebenching

The 2015-16 minimum guarantee will be rebenched to include the child care wraparound funded in that year

## Ongoing Appropriation

Continuous appropriation for the Local Control Funding Formula (LCFF), including an annual cost-of-living adjustment (COLA)

## Maintenance Factor

Fully eliminates the maintenance factor in 2017-18

## One-Time Funding

Adds \$286 million for a total of just over \$2 billion, reducing outstanding mandate debt to \$972 million

# 2018-19 LCFF Target Funding Factors

- The proposed K-12 increase of 3.00% for 2018-19 is the combined statutory COLA of 2.71% and additional LCFF funding, which is applied to the LCFF base grants for each grade span
- Grade span adjustments (GSA) is applied as percentage increase against the adjusted base grant
  - ◆ Grade K-3 – 10.4% increase for average class enrollment of 24

Grade Span	2017-18 Base Grant Per ADA	3.00% Increase	2018-19 Base Grant Per ADA	GSA	2018-19 Adjusted Grant
K-3	\$7,193	\$216	\$7,409	\$771	\$8,180
4-6	\$7,301	\$219	\$7,520	-	\$7,520
7-8	\$7,518	\$226	\$7,744	-	\$7,744

# 2018-19 LCFF Target Funding Factors

- Supplemental grants, based on the unduplicated pupil percentage (UPP), are also increased from 2017-18 because a 3.00% augmented COLA is applied to the LCFF base grants

Grade Span	2018-19 Adjusted Grants Per ADA	20% Supplemental Grant – Total UPP
K-3	\$8,180	\$1,636
4-6	\$7,520	\$1,504
7-8	\$7,744	\$1,549



# Local Impact –

- Any increase in projected 2018-19 LCFF funding is mitigated by
  - ◆ Annual Step & Column costs **≈(\$980,451)**
  - ◆ CalSTRS & CalPERS required increasing employer contributions **≈(\$1,057,313)**
  - ◆ Declining enrollment **≈(\$1,831,708) Base Grant**

Grade Span	2018-19 CBEDS Enrollment	Projected 2018-19 Enrollment	Difference
K-3	3,395	3,320	-75
4-6	2,601	2,508	-93
7-8	1,940	1,873	-67
Total	7,936	7,701	-235

(General Education enrollment counts only)

# CalSTRS & CalPERS Rate Increases

- **Employer rates are increasing to 16.28% in 2018-19, up from 14.43% in 2017-18**
  - ◆ **No specific funds are provided for CalSTRS & CalPERS cost increases**

- **CalPERS Board adopted an employer contribution rate of 18.062% for 2018-19, 2.531% higher than the current-year rate of 15.531%**

CalSTRS Rates			
Year	Employer	Pre-PEPRA Employees	Post-PEPRA Employees
2017-18	14.43%	10.25%	9.205%
2018-19	16.28%	10.25%	10.205%
2019-20	18.13%	10.25%	10.205%
2020-21	19.10%	10.25%	10.205%

Year	Previously Released Employer Contribution Rates	Employer Contribution Rate*
2018-19	17.7%	18.062%
2019-20	20.0%	20.8%
2020-21	22.7%	23.5%
2021-22	23.7%	24.6%
2022-23	24.3%	25.3%
2023-24	24.8%	25.8%
2024-25	25.1%	26.0%



# Statutory COLA at 2.71%

- **Categorical programs outside of the LCFF will see a 2.71% COLA increase only**
  - ◆ **Foster Youth**
  - ◆ **Child Nutrition**
  - ◆ **Child Care Reimbursement**
  - ◆ **State Preschool**
- **Special Education:**
  - **Estimated at \$14.66 per ADA, increases AB 602 Statewide Target Rate to \$555.65 per ADA**
  - **No ongoing funding is proposed to increase and equalize AB 602 base rates**

# One-Time Discretionary Funds & Mandate Block Grant

- The May Revision includes an increase in one-time discretionary funding from \$295 to \$344 per ADA
  - ◆ One-time funds may, but are not required to, be used for state standards implementation, teacher induction, technology, infrastructure, deferred maintenance needs, offset retiree health benefit liabilities, pay early retirement incentive plan, pay it off up front and keep the ongoing savings, and bolster reserves.

Discretionary Funds – ONE-TIME	Total
\$344 (one-time) X 2017-18 P2* ADA =	\$2,747,872

- ◆ Mandate Block Grant can plan for rates per ADA, inclusive of the 2.71% COLA, in all three years of the MYP:

Grade Span	School Districts	Total
K-8	\$31.16	\$248,906

- ❖ Senate Democrats eyeing \$1 billion for the LCFF from the Governor’s discretionary one-time funding proposal – meaning the Legislature has other plans for these one-time funds.



# Questions?